



COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

900 SOUTH FREMONT AVENUE
ALHAMBRA, CALIFORNIA 91803-1331
Telephone: (626) 458-5100
www.ladpw.org

ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

IN REPLY PLEASE

REFER TO FILE: **W-0**

November 4, 2004

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**LOS ANGELES COUNTY WATERWORKS DISTRICTS AND THE
MARINA DEL REY WATER SYSTEM
AMENDMENT TO RULE 1-H-26M (LEAK ADJUSTMENTS) OF THE
LOS ANGELES COUNTY WATERWORKS RULES AND REGULATIONS
SUPERVISORIAL DISTRICTS 3, 4, AND 5
3 VOTES**

**IT IS RECOMMENDED THAT YOUR BOARD ACTING AS THE GOVERNING BODY
OF THE LOS ANGELES COUNTY WATERWORKS DISTRICTS AND THE
MARINA DEL REY WATER SYSTEM:**

Adopt the proposed resolution amending Rule 1-H-26m of the Rules and Regulations of the Los Angeles County Waterworks Districts (Districts) to disallow billing adjustments for water leaks that occur in privately-owned plumbing on the customer's premises.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Currently, the Districts' Rules and Regulations allow customers to request a billing adjustment once a year if they can show proof of a leak repair to their plumbing. Processing these requests has become labor intensive, time consuming, and costly for the Districts. A review of the leak adjustments processed over the last several years determined that the average annual loss in revenue from billing adjustments was approximately \$51,000. Furthermore, the average annual cost to process the leak adjustments was approximately \$88,000.

For reference, we surveyed several water agencies including the City of Los Angeles Department of Water and Power, California Water Service Company, Southern California Water Company, Palmdale Water District, Las Virgenes Municipal Water District, City of Glendale Department of Water and Power, City of Pasadena Department of Water and Power, Quartz Hill Water District, and East Bay Municipal Water District (Oakland). None of these water agencies allow leak adjustments. All the water purveyors we surveyed opposed the idea of leak adjustments because it is not cost-effective and there is no way to ensure the validity of the claim.

Implementation of Strategic Plan Goals

This action is consistent with the County Strategic Plan Goal of Fiscal Responsibility as it will provide a cost savings to the Districts and its customers.

FISCAL IMPACT/FINANCING

There will be no impact to the County's General Fund.

This action will maintain approximately an additional \$51,000 in annual revenues for the Districts and save approximately \$88,000 in annual processing costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Adoption of this resolution will authorize the Interim Director of Public Works or his designee to revise the Districts' Rules and Regulations in accordance with Division 16 of the California Water Code.

The resolution has been approved as to form by County Counsel.

ENVIRONMENTAL DOCUMENTATION

The proposed resolution amending the Rules and Regulations of the Districts to maintain water services to existing service areas are, therefore, exempt from the California Environmental Quality Act pursuant to Section 15273(a)(1) of the Public Resources Code.

The Honorable Board of Supervisors
November 4, 2004
Page 3

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There will be no impact on the current County services provided by the District.

CONCLUSION

Please return one adopted copy of this letter and the enclosed Resolution to Public Works, Waterworks and Sewer Maintenance Division.

Respectfully submitted,

DONALD L. WOLFE
Interim Director of Public Works

GE:nm
BDL2165

Enc.

cc: Chief Administrative Office
County Assessor
County Counsel

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
COUNTY OF LOS ANGELES, CALIFORNIA, APPROVING THE AMENDMENT OF
RULE 1-H-26M OF THE LOS ANGELES COUNTY WATERWORKS DISTRICT
RULES AND REGULATIONS

WHEREAS, the Los Angeles County Waterworks Districts (the "Districts") are funded entirely by the citizens within their service areas; and

WHEREAS, the Districts have limited funding and resources for operations and maintenance activities; and

WHEREAS, the Districts currently allow billing adjustment once a year for customers that show proof of a leak repair to their privately-owned plumbing ("Leak Adjustment"), as defined by Rule 1-H-26m of the Districts' Rules and Regulations; and

WHEREAS, the average annual cost of processing the Leak Adjustments for the Districts is approximately \$88,000; and

WHEREAS, the average annual loss in water sales to the Districts is approximately \$51,000.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED, that the Director of Public Works or his designee, is hereby authorized to amend Rule 1-H-26m of the Rules and Regulations as follows:

1-H-26m ~~ALLOWANCES: Where the customer presents to a District satisfactory evidence that high consumption on his premises resulted from leakage and that prompt repairs were made by the customer upon the customer becoming aware of the leak, the District may grant an allowance of one-half of the amount of billing in excess of the billing for consumption in a comparable period for which there was no known or apparent leak. Allowances are confined for excess consumption due to leakage for not more than the two consecutive billing periods prior to discovery of the leak and once granted, no further allowance will be made for a period of twelve months for such reasons. Satisfactory evidence of prompt repairs shall be in the form of appropriate repair receipts (covering the time period of the leak) either from a company or business hired by the customer to make such repairs, or receipts for materials when the repairs were done by the customer himself.~~

NO ALLOWANCES FOR ON-SITE LEAKS: The District does not allow for any billing adjustments for water leaks that occur in the privately-owned plumbing on the customers' premises.

The foregoing Resolution was on the _____ day of _____, 2004,
adopted by the Board of Supervisors of the County of Los Angeles as the governing
body of the Los Angeles County Waterworks Districts.

VIOLET VARONA-LUKENS
Executive Officer of the
Board of Supervisors of the
County of Los Angeles

By _____
Deputy

APPROVED AS TO FORM:

OFFICE OF THE COUNTY COUNSEL

By _____
Deputy